

## 2002 Social Security/SSI Information

- o Tax Rate\*: Employee and employer each -- 7.65% (6.20% - OASDI, 1.45% - HI)  
     Self-employed ----- 15.30% (12.40% - OASDI, 2.90% - HI)  
     \* Social Security tax for employers and self-employed can be partially offset under income tax rules.

- o Maximum Taxable Earnings Base: OASDI-- \$84,900; HI-- No limit

- o Maximum FICA/SECA Taxes:

	<u>OASDI</u>	<u>HI</u>	
Employee/employer:	\$ 5,263.80	No limit	
Self-employed:	10,527.60	No limit	

- o OASDI Covered Workers (in millions, est):
- |  | <u>Wages</u> | <u>Self-employed</u> | <u>Combined</u> |
|--|--------------|----------------------|-----------------|
|  | 146.6        | 14.7                 | 155.3           |

- o Percent of workers who are covered: 96%

- o Estimated Worker/Beneficiary Ratio: 2002: 3.4 to 1                      2040: 2.0 to 1

- o Earnings Required for a Quarter of Coverage: \$870; (\$3,480 for four)

- o Domestic Employment Coverage Threshold: \$1,300

- o Retirement Test Exempt Amounts:

- No test after normal retirement age—i.e., age 65 for those attaining age 65 in 2002
- For pre-age 65 months in year attaining age 65: -- \$30,000 annually, \$2,500 monthly (\$1 for \$3 withholding rate)
- Under age 65 --\$11,280 annually, \$940 monthly (\$1 for \$2 withholding rate)

- o Supplementary Medical Insurance Premium: \$54.00

- o Substantial Gainful Activity: \$780/mo. nonblind, disabled; \$1,300/mo. blind;

- o Formulae Bend Points: (Applicable to workers who reach age 62, become disabled, or die in 2002)

<u>Primary Insurance Amount (PIA)</u>	<u>OASI Maximum Family Benefit (MFB)</u>
90% of first \$592 of AIME, plus 32% of AIME over \$592 thru \$3,567, + 15% of AIME over \$3,567	150% of first \$756 of PIA, plus 272% of PIA over \$756 thru \$1,092, + 134% of PIA over \$1,092 thru \$1,424, + 175% of PIA over \$1,424
(DI MFB ranges from 100% - 150% of the PIA, depending on the PIA level)	

- o Average Monthly Benefits:

	<u>12/00</u>	<u>12/01</u>
Retired worker:	\$ 844	\$ 874
Retired worker and aged spouse:	1,410	1,455
Disabled worker:	786	814
Disabled worker, spouse and children:	1,311	1,360
Aged widow(er) alone:	811	841
Widowed mother/father and 2 children:	1,680	1,757

- o Benefits for Jan. 2002 Retirees:

	<u>Age 62</u>		<u>Age 65</u>	
	<u>PIA</u>	<u>Benefit</u>	<u>PIA</u>	<u>Benefit</u>
Low earner (45% of avg. wages)	\$ 729.60	\$ 568	\$ 682.70	\$ 682
Average earner	1,201.90	936	1,127.30	1,127
Maximum earner	1,774.60	1,382	1,660.50	1,660

- o Long-Range Constant Replacement Rate: Retirement at Age 67 in 2030 or later

Low earner (45% of avg. wages): 56%    Average earner: 42%    Maximum earner: 28%

o COLA: Increase payable in January 2002 benefits - 2.6 percent

o Normal Retirement Age Schedule — by Year of Birth

1938 - 65/2 mos.		1942 - 65/10 mos.		1957 - 66/6 mos.
1939 - 65/4 mos.		1943-54 -66		1958 - 66/8 mos.
1940 - 65/6 mos.		1955 - 66/2 mos.		1959 - 66/10 mos.
1941 - 65/8 mos.		1956 - 66/4 mos.		1960+ - 67

o Taxation of Benefits -- % of Benefits Taxed:

<u>% Taxed</u>	<u>Income Threshold</u>	<u>Filing Status</u>
up to 50%	\$25,000 - \$34,000	Individual
	32,000 - 44,000	Joint
up to 85%	\$34,000 +	Individual
	44,000 +	Joint

o Average Wage Level: 2000: \$32,155; 2001: \$33,733 (est.)

o Special Minimum PIA (12/01):

Approximately \$30.85 per year of coverage over 10 years; highest special minimum PIA = \$617.00 (30 years/coverage)

o Minimum Earnings for Year of Coverage:

	<u>2001</u>	<u>2002</u>
--Special Minimum:	\$8,955	\$9,450
--Windfall Elimination Provision:	\$14,925	\$15,750

o Number of OASDI Beneficiaries (as of 12/01):

--Total OASDI beneficiaries:	45.9 million
--Retired workers and family members:	32.0 million
-Retired workers:	28.8 million
--Spouses:	2.7 million
--Children:	0.5 million
--Survivors of deceased workers:	6.9 million
-Aged surviving spouses:	4.6 million
-Disabled surviving spouses:	0.2 million
-Surviving spouses w/ child-in-care:	0.2 million
-Children:	1.9 million
--DI beneficiaries:	6.9 million
-Disabled workers:	5.3 million
-Spouses:	0.2 million
-Children:	1.5 million

o Number of OASDI Children Beneficiaries (12/01):

--Total:	3,839,381
-Children under age 18:	2,993,852
-Students aged 18-19:	108,983
-Disabled Children aged 18 or older:	736,546

o Trust Fund Operations (in billions, based on intermediate assumptions in 2002 Trustees Report):

<u>Calendar Year</u>	<u>Fund</u>	<u>Income</u>	<u>Outgo</u>	<u>Fund at End of Year</u>
2000	OASI	\$491	\$358	\$ 931
	DI	78	57	118
2001	OASI	\$518	\$378	\$1,072
	DI	84	61	141

o OASDI Administrative Expenses (FY 2000):

	<u>OASI</u>	<u>DI</u>	<u>OASDI</u>
Amount (in millions)	\$ 1,870	\$1,722	\$3,592
Percent of Benefit Payments	0.5%	3.0%	0.8%



- o OIG/SSA Fraud Hotline: 1-800-269-0271